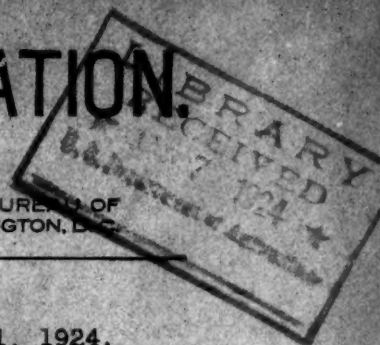


THE AGRICULTURAL SITUATION

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

ISSUED MONTHLY FOR EXTENSION WORKERS AND THE STAFF BY THE BUREAU OF AGRICULTURAL ECONOMICS, U. S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.



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THE NEXT PHASE OF THE READJUSTMENT PERIOD

Agriculture comes up to the new year much as a heavily burdened man hails breathing-space in a long up-hill climb. Farmers have not yet reached level ground though generally the going is getting better right along.

All through the readjustment turmoil of the last four years has run an insistent pressure to reduce production. The markets have driven home a harsh lesson. It reached the Cotton Belt early. It has now reached the Wheat Belt.

The great feed crops, corn, oats, and hay have yielded heavily for four seasons, however. Increase in livestock represents, as much as anything else, the natural effort to carry along that vast store of feed and dispose of it gradually. It is somewhat like funding debts to a longer, more tolerable basis.

What we have come to, therefore, is essentially a new phase of the readjustment period. First it was the money crops, the crops of world markets. Now it is the great feed crops - a longer, more delicate adjustment working itself out through the medium of the livestock industries.

This is a matter for producers to move slowly on. If a man's hand is not actually forced, this is a poor time to let snap judgment lead him into the reversal of plans which usually foreshadows violent swings in the cycle of production and prices. Even if the times force an absolute contraction of farm output toward the bounds of the domestic market, we are not sure that it might not involve a relatively high level of activity within the animal industries - backed presumably by adequate tariff and other measures of national scope. Shrewd men are now taking advantage of cheap hogs and cattle to improve their breeding herds.

Agriculture thus goes into the new year with renewed hope. With feed crop surpluses safely stored on the hoof, there is more chance for a breathing-space. The general outlook is more promising than at any time since 1920.

KEY REGIONS AT A GLANCE

THE EAST - The milk markets continue to reflect relatively heavy supplies, notwithstanding well-sustained demand. Conditions fairly good among producers of poultry, potatoes and, where the crop yielded reasonably well, fruit. General feeling not greatly different from last year; income likewise.

THE SOUTH - Winding up harvest of cotton, rice, sweet potatoes, etc. Fluctuations in price of cotton have naturally held close attention of all the South. Many growers west of the River finish the best year in some time, but crop failure means a hard winter in many districts in the East. Winter truck making general progress though certain areas were hard hit by freezes.

CORN BELT - Corn husking practically over. Movement of grain to market as well as fall work favored by mild weather though some sections had too much rain. Run of hogs to market heaviest since 1919. General sentiment seems to indicate somewhat more conservative production the coming year. Winter grain shows good progress.

WHEAT BELT - Bulk of wheat now out of farmers' hands. More talk of livestock and crop diversification. Winter wheat generally looking well. Still seeding in Southern Texas. Total acreage of wheat sown this fall estimated 12.6% below year ago. Spring wheat territory very short of resources; having a winter of hard times.

RANGE COUNTRY - Range has mostly continued open and in generally good shape except for snow-covered areas in the mountains. Southern regions have had heavy storms but stock is practically all in good condition. Little feeding necessary for the time of year. Still much pessimism among cattlemen and perhaps a trifle more conservatism among sheepmen.

PACIFIC COAST - California has had a prolonged drouth with much consequent difficulty among farmers and ranchers. San Joaquin Valley sharply hit by freeze with considerable loss to orange growers. South also suffered from heavy wind storms. Fair movement of grain in North but apple market stagnant. Fall work in North hindered by heavy storms and mud.

AUST
ILL

CROP PRODUCTION

The following shows production of important crops in 1913, five-year average, last year, and estimates for this year. Division of Crop and Livestock Estimates, B. A. E.

Figures given to nearest million, six ciphers omitted.

Crop	1913 Production	1917-1921 Average	1922 Production	1923 Production
Wheat, bu.				
Winter	523	590	586	572
Spring	240	245	276	213
All	763	835	862	786
Corn, bu.	2,447	2,931	2,891	3,054
Oats, bu.	1,122	1,378	1,201	1,300
Barley, bu.	178	192	186	198
Rye, bu.	41	70	95	63
Cotton, bales	14.1	11.2	9.76	10.08
Potatoes, bu.	332	388	451	412
Hay, all, tons	64	99	113	107
Apples, bu.	145	160	201	197
Peaches, bu.	40	43	57	46
Flax, bu.	18	10	12	17
Tobacco, lbs.	954	1,361	1,325	1,475
Grain sorghums, bu.	---	103	90	106

Total acreage this year about 0.6% more than last year. Total production slightly (0.5%) below last year but same as preceding five-year average.

AVERAGE PRICES, AT THE FARM, OF REPRESENTATIVE PRODUCTS
Month Ending December 1, 1923.

Actual prices received at the farm by producers. Average of reports covering the United States, weighted according to relative importance of county and State. Figures compiled by Division of Crop and Livestock Estimates of this Bureau. Quotations in dollars or cents.

Shows 1913, year ago, and latest available months.

	Nov. 1913	Nov. 1922	Oct. 1923	Nov. 1923
Cotton, per lb.	¢ 12.2	23.8	28.8	31.0
Corn, per bu.	¢ 69.1	65.7	83.9	72.7
Wheat, per bu.	¢ 79.9	100.9	95.1	92.3
Hay, per ton	\$ 12.43	11.81	12.45	14.07
Potatoes, per bu.	¢ 68.7	58.2	82.7	82.3
Oats, per bu.	¢ 39.2	39.4	40.2	41.5
Apples, per bu.	¢ 98.1	99.3	105.0	102.2
Beef cattle, per 100 lbs.	\$ 5.96	5.28	5.48	5.23
Hogs, per 100 lbs.	\$ 7.16	7.63	7.23	6.66
Eggs, per dozen	¢ 33.0	46.1	38.3	47.8
Butter, per lb.	¢ 29.2	42.0	42.9	45.7
Wool, per lb.	¢ 16.1	35.3	36.9	36.4
Veal calves, per 100 lbs.	\$ 7.74	7.78	8.37	7.85
Lambs, per 100 lbs.	\$ 5.85	10.49	10.17	10.01

The month of November continued the rise in cotton prices and witnessed a significant advance in hay. Usual seasonal rise in egg prices.

Livestock declined again. Hogs reached an average price so low as to materially affect the plans of Corn Belt farmers.

PRICE INDEXES FOR MONTH ENDING DECEMBER 1, 1923

1913 = 100

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics. Shows year ago, and latest available months:

Farm Products

(Prices at the farm)

	<u>Nov.</u> <u>1922</u>	<u>Oct.</u> <u>1923</u>	<u>Nov.</u> <u>1923</u>	<u>Month</u> <u>Trend</u>
Cotton	192	232	250	Higher
Corn	111	141	122	Lower
Wheat	129	121	118	Lower
Hay	117	113	128	Higher
Potatoes	91	129	128	Same
Beef cattle	90	93	89	Lower
Hogs	102	97	89	Lower
Eggs	239	198	248	Higher
Butter	155	159	169	Higher
Wool	211	221	218	Lower

Commodity Groups

(Wholesale Prices)

	<u>Nov.</u> <u>1922</u>	<u>Oct.</u> <u>1923</u>	<u>Nov.</u> <u>1923</u>	<u>Month</u> <u>Trend</u>
Farm products	143	144	146	Higher
Food, etc.	143	148	148	Same
Cloths & clothing	192	199	201	Higher
Fuel & lighting	218	172	167	Lower
Metal & met. products	133	142	141	Little change
Bldg. materials	185	182	181	Little change
Chemicals, etc.	127	129	130	Little change
House-furnishing goods	179	183	176	Lower
<u>ALL COMMODITIES</u>	<u>156</u>	<u>153</u>	<u>152</u>	<u>SLIGHTLY LOWER</u>

RELATIVE PURCHASING POWER

(At November 1923 Farm Prices)

1913 = 100

<u>In terms of</u>	<u>Cotton</u>	<u>Corn</u>	<u>Wheat</u>	<u>Hay</u>	<u>Potatoes</u>
All comodities	164	80	78	84	84
Cloths, etc.	124	61	59	64	64
Fuel, etc.	150	73	71	77	77
Metals, etc.	177	87	84	91	91
Bldg. materials	138	67	65	71	71
House-furnishing goods	142	69	67	73	73

	<u>Beef cattle</u>	<u>Swine</u>	<u>Eggs</u>	<u>Butter</u>	<u>Wool</u>
All commodities	59	59	163	111	143
Cloths, etc.	44	44	123	84	108
Fuel, etc.	53	53	148	101	130
Metals, etc.	63	63	176	120	155
Bldg. materials	49	49	137	93	120
House-furnishing goods	50	50	141	96	124

Eggs showed a seasonal increase in unit purchasing power. The most significant changes of the month, however, were increases in hay and cotton and decline in livestock.

November practically repeated the story of the previous month, as regards the general group of farm products. Prices of non-agricultural commodities declined slightly but livestock declined proportionally so much as to more than offset it.

SUMMARY OF PRICE INDEX NUMBERS

1913 = 100

In the following, farm price indexes are compiled by this Bureau; wholesale prices are the Department of Labor indexes. Purchasing power represents relationship between prices, at the farm, of farm products and wholesale prices of non-agricultural products, unit quantities being considered in each case.

Year and month	Farm Price Crops 15th of month	Farm Price Livestock 15th of month	Farm Price Crops and Livestock Combined	Wholesale price All Commodities	Wholesale price of Non-Agrl. Commodities*	Purchasing Power of Farm Products#
1913	100	100	100	100	100	100
1914	108	103	106	98	94	112
1915	110	95	102	101	97	106
1916	124	111	118	127	132	89
1917	208	164	186	177	176	106
1918	224	192	208	194	186	112
1919	234	198	216	206	195	111
1920	238	168	203	226	234	86
1921	109	107	108	147	161	67
1922	113	111	112	149	163	69
1922						
January	98	95	96	138	150	65
February	105	108	106	141	149	71
March	112	117	114	142	150	76
April	115	115	115	143	153	75
May	118	118	118	148	161	73
June	119	119	119	150	164	72
July	118	119	118	155	172	69
August	114	112	113	155	176	64
September	110	109	110	153	170	64
October	110	110	110	154	169	65
November	118	105	112	156	169	66
December	123	104	114	156	168	68
1923						
January	126	106	116	156	170	68
February	130	107	118	157	172	69
March	134	106	120	159	175	69
April	139	107	123	159	176	70
May	140	105	123	156	172	71
June	139	100	120	153	168	71
July	136	102	119	151	165	72
August	136	102	119	150	163	73
September	138	109	123	154	164	75
October	139	103	121	153	161	75
November	137	97	117	152	160	73

* "All commodities", excluding farm products and food.

Expressed in terms of non-agricultural commodities

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at five markets, compiled by this Bureau. All figures given to nearest thousand, that is, three ciphers omitted:

Month	WHEAT Receipts Th. bu.	CORN Receipts Th. bu.	HOGS Receipts Thousands	CATTLE Receipts Thousands	SHEEP Receipts Thousands	BUTTER Receipts Th. lbs.
1921 Total	435,606	340,908	41,040	19,764	24,168	569,340
1922 Total	418,961	393,772	44,067	23,192	22,364	650,482
1922 Jan.	18,372	52,097	4,278	1,628	1,835	41,697
" Feb.	21,151	58,330	3,613	1,416	1,400	38,894
" Mar.	19,729	31,035	3,411	1,622	1,465	44,919
" Apr.	15,536	14,552	3,067	1,470	1,227	42,694
" May	29,015	27,083	3,737	1,878	1,692	68,893
" June	19,753	31,157	3,776	1,759	1,700	93,139
" July	42,128	25,975	2,980	1,710	1,677	92,829
" Aug.	59,649	24,380	3,037	2,149	1,951	62,494
" Sept.	56,992	35,296	3,062	2,397	2,303	46,419
" Oct.	49,097	33,056	3,682	2,936	3,311	41,351
" Nov.	41,496	21,882	4,421	2,427	2,287	31,808
" 11 mos.	372,918	354,843	39,064	21,392	20,848	605,137
1923 Jan.	38,002	38,371	5,306	1,876	1,636	48,697
" Feb.	20,176	30,518	4,492	1,427	1,366	39,877
" Mar.	22,081	24,710	4,928	1,502	1,430	49,881
" Apr.	21,785	16,836	4,318	1,670	1,447	48,881
" May	17,457	10,840	4,524	1,900	1,794	55,459
" June	18,217	14,610	4,204	1,629	1,426	76,403
" July	36,435	18,515	4,181	1,903	1,661	64,084
" Aug.	63,012	25,845	3,714	2,214	1,800	57,393
" Sept	44,196	18,355	3,607	2,295	2,659	41,732
" Oct.	38,380	16,541	4,816	2,802	3,465	38,369
" Nov.	36,576	23,280	5,416	2,182	1,816	33,774
" 11 mos.	356,317	238,421	49,506	21,400	20,500	554,926

Corn movement considerably increased; wheat lighter.

The run of hogs to market broke all records for month of November; cattle and sheep below last year.

Butter receipts higher than last year.

THE TREND OF EXPORT MOVEMENT

Compiled from Commerce reports by Division of Statistical Research of this Bureau.

Month	WHEAT including flour	TOBACCO (Leaf)	BACON HAMS AND SHOULDERS	LARD	TOTAL* MEATS	COTTON# running bales
	1,000 Bushels	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Bales
1922 January	15,010	32,265	48,120	73,194	55,777	476
" February	10,992	25,846	66,003	75,520	62,647	338
" March	14,374	32,967	54,763	64,377	62,231	461
" April	10,449	40,190	43,284	42,459	48,828	598
" May	14,267	39,844	44,058	50,817	50,196	469
" June	18,200	30,324	55,621	57,249	64,124	491
" July	19,124	32,319	59,252	66,058	67,886	373
" August	38,964	28,958	51,353	68,907	60,443	273
" September	31,839	33,102	51,040	61,120	60,863	368
" October	25,077	58,353	50,940	66,333	60,651	799
" November	17,579	39,787	51,407	62,321	63,357	858
1922 11 mos.	215,875	393,955	575,841	688,355	657,003	5,504
1923 January	12,519	41,652	74,432	107,786	86,938	473
" February	12,197	25,978	64,488	89,055	75,023	360
" March	10,725	31,641	66,441	109,187	75,933	318
" April	10,195	40,186	68,528	85,475	77,963	260
" May	14,396	28,421	64,608	93,199	72,607	160
" June	12,881	49,730	68,480	64,605	68,823	215
" July	12,822	44,105	64,264	69,478	74,165	171
" August	19,929	33,214	69,194	83,758	80,129	244
" September	22,465	36,646	76,911	83,630	88,859	689
" October	18,652	44,958	72,341	76,378	83,183	782
" November	12,138	49,381	71,947	74,251	85,069	770
1923 11 mos.	158,919	425,912	761,634	936,802	868,692	4,442

Export movement continues the same situation: less wheat and in November less cotton, but a remarkable and sustained increase in pork products.

* Includes fresh, canned and pickled beef, bacons, hams and shoulders, fresh, canned, and pickled pork, mutton and lamb.

Includes linters.

THE COLD STORAGE SITUATION

Dec. 1 holdings (Figures given show nearest million)

<u>Commodity</u>	<u>5 Year Average</u>	<u>Dec. 1, 1922</u>	<u>Nov. 1, 1923</u>	<u>Dec. 1, 1923</u>
Creamery butter, lbs.	66	48	76	52
American cheese, lbs.	40	37	58	55
Case eggs, cases	2.5	3.2	6.6	4
Total poultry, lbs.	58	52	40	63
Total beef, lbs.	162	96	63	93
Total pork, lbs.	455	419	506	578
Lard, lbs.	48	33	35	42
Lamb & mutton, lbs.	17	4	2	2
Total meats, lbs.	707	569	629	740
Apples, bbls.	6	6.7	6.9	9.9

Storage holdings of dairy products and eggs decreased further during November. The meats went into storage in some quantity, however.

Compared with the average situation this date, stocks are low in case of butter, beef, and mutton; high in case of pork, apples, and eggs.

THE YEAR IN AGRICULTURE

Viewed by itself, the year 1923 has been a season of indifferent success on the farms. Considered as part of the post-war period, it has been a season of improvement.

This is a big country. Conditions in our great agricultural regions are so diverse that no single estimate will hold good for the country as a whole. Generally speaking, 1923 witnessed improvement in prices but proved to be a difficult season as to production. It was a very backward spring, to start with. In the East and South, weather conditions were harassing most of the summer while early frosts took heavy toll in corn and other northern crops. Shortage of labor for farm work was and still is a nation-wide handicap, while such help as was retained in the rural community was able to command substantially higher wages. All in all, therefore, some easing of the price situation was in part offset by increased difficulty of production.

The net result has been a year of greater prosperity than for three years preceding, but still not prosperous enough to represent a normal or satisfactory status for agriculture.

The Year in Key Regions

In the dairy and diversified region of the Northeast it has been a fair year, on the whole. Certain sections of the East suffered from severe drought, which shortened pastures and grain and materially hindered dairy production. In spite of higher costs, however, an increasing volume of milk came into the market toward fall, so that milk prices reacted downward at a time when they would ordinarily rise. The fruit crop was short in certain sections. Hay was a good crop, however, and potatoes, cabbage, and truck generally outdid early expectations. The East probably has about the same, or a slightly better income than in 1922.

The South has been up against one of the most difficult production seasons ever known, but the advancing price of cotton has offset that fact so far as gross income is concerned. The early summer was characterized by drought west of the Mississippi and too much rain east of it. Then in the fall, this condition reversed itself with about equal disadvantage. Between the weather and the boll weevil, the South's effort to increase cotton acreage was frustrated, ending in about the heaviest abandonment on record. The eastern part of the belt finished the season with crop failures and hard times the rule in many sections, but cotton growers in Texas came through in good shape. In point of gross income the Cotton Belt, as a whole, stands to receive probably from a quarter to half a billion dollars more than in 1922.

The Corn Belt exhibits quite a different aspect from two years ago when corn was literally cheap enough to burn. Its apparent improvement has been partly fact and partly fiction. The surplus of corn a year and two years ago was partly due to actual heavy yields but was also relatively accounted for by shrinkage in the number of hogs. Early in 1922, some rise in hog prices combined with cheap corn to induce much heavier breeding. This fall witnessed a culmination; the hog crop had grown large enough to fill the markets with pork, likewise to eat up all corn surplus and most of the carry-over, boosting corn prices to relatively high levels.

The bulk of corn is sold to farmers and is fed to livestock. Consequently, high-priced corn, while of advantage to a man growing and selling it, is more or less fiction to agriculture as a whole. It represents part of the cost of livestock production. Thus, during the latter part of the year, the Corn Belt has been in the uncomfortable position of feeding expensive grain to cheap hogs. The crop of corn was a fairly heavy one, but its quality was seriously hurt in many sections by frost and bad weather. Percentage of merchantable corn was lower than in several preceding years. There has consequently been a growing disposition within the swine industry to retrench once more; late weeks have witnessed a marked liquidation.

To some extent, therefore, the Corn Belt's rise has been by its own bootstraps. However, part of the optimism really has a cash basis. Some corn is sold outright to other regions; feeders of cattle and in most instances of sheep have done better than the year previous; some feeders were in position to hold corn and are maketing more or less of two years' grain this season. If the heavy domestic and export demand for pork holds up, and with the price ratio between corn and hogs narrowed down somewhat, there will even be a profit for many swine producers on the year's operations. All in all, the Corn Belt has had a year of improvement in morale and some in purchasing power but has not yet returned to normalcy.

The Wheat Belt has been the sore spot of the past year. The difficulty has been one of production as well as low prices. Greatest distress has prevailed in the spring wheat territory, this being hardest hit by rust and drought. The situation was easier this season in respect to transportation; there was little difficulty about moving the crop as compared with 1922, and for this improvement due credit should go to the railroads. As to finding remedies for the price emergency, not very much progress has been made, though there has been much agitation.

On the production side, there is little doubt that the year has hastened the drift toward more livestock and greater diversity of crops within the Wheat Belt. Strong sentiment in favor of more diversity has been evident among the far-sighted men and it is probable that the most significant outgrowth of last year's depression will be this accelerated movement away from the one-crop, exploitive system.

The Wheat Belt has had one of the poorest years in a long time and goes into winter with its resources seriously below par.

The Rocky Mountain territory has been divided between prosperity in the sheep industry and continued depression among cattle raisers. The range end of the cattle business, not yet having shared in improvement noted on the feeding end, has become generally discouraged. The process of liquidation has continued throughout this past year. Sheep men, on the other hand, have been fired by the prices of wool and lambs, and steady increase of flock has been the rule. Late in the year, however, some conservative reaction began to reflect from feeding areas where lambs bought at high contract prices had not made much money for the feeders. It has been a good season so far as feed is concerned; the range has been in good shape, generally speaking, the hay crop was large and stock went into winter in very fair condition. Other leading products of the inter-mountain country such as sugar beets, alfalfa, etc., have generally turned out fairly well.

On the Pacific Coast conditions have been perhaps no better than in 1922, although the coast has been all along in relatively strong position. The leading crops yielded abundantly, but prices have not held up in all cases. It may probably be said that the southern part of the region has fared rather better in markets than has the northern. Low prices of cattle, wheat, and apples have proved depressing in the North.

The Year as Part of a Period

For four years we have been going through an inevitable readjustment period, and the end is not yet. So far, events of that period have been dominated by the urban community.

Agriculture emerged from the war geared to a high pitch of production, only to find itself shut off from even a normal foreign market. There ensued a complete collapse in prices of farm products.

The cities emerged from the war behind on much basic equipment but with a great accumulation of capital as well as an increase in population. Early in 1922, they began to feel the urge toward replenishment of these wartime shortages in physical equipment. The urban stage was thus all set for action. Wheels began to turn, labor became busy, a tremendous industrial boom opened up, its backbone composed of buildings, railway equipment, automobiles, and textiles. That boom continued until this fall, when after some hesitation, it partially resumed and now gives promise of riding on into the coming spring.

This business boom has been exclusively an urban, industrial affair. It was born in the necessity for replenishment of wartime shortages, nourished on a splendid accumulation of capital and banking strength, protected behind a tariff wall and restricted immigration, and waxed fat by way of cheap farm products. It is doubtful if the industrial, wage-earning population of the United States ever enjoyed greater all-around advantage than it does at this moment. Most thinking Americans, farmers or not, oppose unrestricted immigration as a national menace; but it is, nevertheless, at some cost to agriculture in times like these.

Meanwhile, the collapse of prices in 1920 has thrown agriculture back upon itself. Farmers did as well as they could to slow down the machine which war demands had geared up so high. Land cannot be instantly taken out of crops nor will young animals instantly stop growing.

Then in the spring of 1922, some effects of drawing urban prosperity began to percolate down through to the farms. Prices of wool, cotton, and hogs stiffened up. The nearly bankrupt producers of those things responded as parched men to water. But agricultural production cannot instantly be speeded up either, and now after two years of effort in the three lines mentioned, only hog production has caught up with the demands of this erratic market.

Other lines have felt some mild stimulation during the last year, for example, milk, eggs, canning crops, and to a slight degree beef cattle. But other such basic crops as wheat and hay have been more or less going begging.

So things have continued through 1923. The situation has been dominated by the industrial boom. Agriculture has been standing first on one foot and then on the other, trying to readjust production nearly enough to demand so as to recover some of its balance. It has succeeded to a degree such that its general condition is improved over any year since 1920.

But mal-adjustment still exists. Its primary source is the disparity between the current value placed on urban labor and that placed on farm labor. Prices are the yardstick measuring primarily an exchange of labor. What we see is that prices of farm products are out of line with prices of industrial products. Back of that are the fundamental inequalities of supply and demand which governs the movement and wages of labor.

The Background is Also Part of the Picture

A fact not outside the present reckoning is that the war and subsequent deflation overtook agriculture during one of its most significant transition periods. A 15 per cent increase in production has been accomplished within a decade, not by increasing the number of farm workers but by a great stride in efficiency per worker. The farms were in the midst of a thorough rejuvenation of equipment. The process of exchanging the country's road horses for automobiles was in full swing - one of the most expensive but significant accomplishments of a generation. The better regions were just introducing tractor power. The great livestock industries were in the midst of their marvelous program of purebreeding and of disease control. The Cotton Belt was at a peak of productivity. Farmers all over the country were just pushing ahead to a better living standard, with especially widespread effect on the rural school and the lot of farm women.

Post-war developments wrote finis to this forward-sweeping chapter. That remarkable increase in productive efficiency, on which agriculture should and would in normal course have "cashed in" substantially, bore instead much bitter fruit. Rejuvenation of farm machinery and buildings came to an abrupt pause. Buying of new materials practically ceased over five of the six principal agricultural districts. Thousands of tractors were stored away again in favor of horses. Great herds of cattle and sheep were liquidated. The South was set back dangerously in its fight to maintain production. Standards of living were reduced; expenses cut to the bone. Farmers wore down their reserves of cash, equipment, materials, clothing, and household goods, and in parts of the West drew deeply on their equity in the land. A serious burden of debt was accumulated which still hangs over the whole situation. Thousands of farm-trained young men migrated into urban industries, the immediate effect of which has been higher wages on farms but with deeper effects yet to be felt in production; the loss of its technically trained men affects agriculture, in direction if not in degree, as it does any industry requiring special skill and training in its workmen.

Such was the background against which we have written "improvement" for the year 1923. It has been a price improvement, the greatest advance really taking origin in crop shortage, the minor improvement a by-product of unusual urban prosperity and buying power.

The Outlook for 1924

On the production side indications for the coming year suggest: that the swine industry will retrench; that butter end of the dairy industry will expand; that there will be no great change in number of beef cattle, but a moderate continued increase in sheep; that cotton growers will make an effort to increase production as may also the corn growers; that the Wheat Belt will make an effort to curtail production. All of which would simply represent agriculture's attempt to align its production with the shifting price situation.

On the demand side, there is little to indicate that 1924 will be dominated by other than the same factors which have determined events through 1923. In other words, there is reasonable expectation of normal domestic demand for staple foods, of possible normal demand for fibers, and if business and wages continue good, of sustained demand for the finer foods like milk, butter, fresh eggs, certain fruits, etc. Prices will continue to depend primarily on the size of the crops, secondarily on the conditions of employment and wages. Foreign demand still looks uncertain.

Whether the disparity between prices of farm products and non-agricultural commodities will be further narrowed down this year is a question, though some such trend now seems rather probable. The forces which operate on both sides of that equation seems to have begun slowly to even things up. Well disposed as everyone is toward the wage earners of this country, much of the price disparity of the past year traces to the impregnable position of industrial labor, fortified on one hand by urgent demand for its products and on the other by the tariff and an air-tight immigration law.

If one could neglect the pressing present long enough to take a look ten years ahead, he could be optimistic. For the long pull, American agriculture is moving into a position of strength such as it has enjoyed only once before in our history. For the immediate future, however, shrewd men seem inclined to consolidate the gains, to build up their reserves once more, and above all to pay debts when possible rather than contract new ones.

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